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Street of Dreams Home Builder Pleads Guilty to Sales Tax Theft

SEATTLE, Wash., Aug. 11, 2010 – Bellevue custom home builder Grey T. Lundberg pled guilty today to stealing more than \$629,000 in sales tax he collected on construction work.

Lundberg, former owner of CMI Homes, was charged in March with 13 counts of first degree theft of sales tax. The charges were filed by the Criminal Justice Division of the Attorney General's Office at the request of the Washington State Department of Revenue.

"Nobody should be able to cheat the public and undercut honest businesses by pocketing the sales tax they collect from customers," Revenue Director Cindi Holmstrom said. "People expect the tax they pay to return to them in the form of state and local services. This prosecution demonstrates our commitment to ensuring that all taxpayers pay their fair share."

King County Superior Court Judge Ronald Kessler gave Lundberg until Feb. 16, 2011, to repay the stolen funds. At that time, the judge will review the progress Lundberg, 48, has made toward making restitution and decide whether to sentence him or give him more time to make restitution. His sentence will depend on how much restitution he has made. He could serve up to 10 years in prison.

Lundberg's upscale homes were featured at Street of Dreams events, including a \$2 million Best of Show home that was among three burned down by arsonists in Snohomish County in March 2008.

Lundberg failed to file state tax returns from the time he started CMI Homes in July 2006 through December 2007. He began filing tax returns in January 2008 after the Department of Revenue began auditing his company, but still didn't remit the sales tax he collected.

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